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CENTRAL INTELLIGENCE GROUP

~~INTELLIGENCE REPORT~~

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COUNTRY Germany (French Zone)

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INFO. [REDACTED]

SUBJECT Manipulation of Labor Statistics in the French Zone

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ORIGIN [REDACTED]

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SUPPLEMENT [REDACTED]

1. Labor Offices in the French Zone have been instructed orally by French authorities to keep figures on unemployed persons small in monthly report bulletins and other statistical publications. No such orders were ever imposed in writing, but they were more than once given orally. [REDACTED] his first personal experience of the sort was the instruction by Captain Koller, statistician in Colonel Grosse's Manpower Division in Baden-Baden, to the director of the Mainz Labor Office to present unemployment statistics in small figures only. Source asserts that corresponding orders were given to all Labor Offices in the French Zone.
2. In December 1946, unemployment figures were standardized, under orders from the French, through limiting the number of jobless to a special classification, narrowly defined and excluding many actual unemployed. The official designation of jobless persons fit for work (verfügbare Arbeitslose) comprehends only a small group and excludes entirely the following categories:
 - a. Unemployed persons who obtain a doctor's certificate stating that they have any sort of health defect (available to nearly anyone).
 - b. Persons who are allegedly employed in agricultural work or are attending school or who have alleged liberal professions or are allegedly occupied in households, but who are actually either completely unemployed or are engaged in black market activities.
 - c. Persons previously registered as unemployed who become ill, even temporarily (their cards, once removed from the unemployed file, are rarely replaced).
 - d. Persons under arrest or in jail.
 - e. All men over 65 and persons under 65 who are incapacitated for work (more than two-thirds).
 - f. Released prisoners of war during their rehabilitation period.

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124623

-2-

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3. Although most of the persons in these groups are authentically unemployed, they do not appear as such in Labor Office statistics because they are not "verfügbare Arbeitslose." Only persons in this category are included in the official statistics. The bulk of the unemployed are relegated to a special inactive file (ruhende Kartei) in the Labor Office, from which no figures may be published. Transfer from this file to the official unemployed file is insignificant; most cards once put into the inactive file remain there. Even this, however, does not contain a complete record of unemployed persons.
4. Distortion in the manpower picture in Land Pfalz can be detected by examination of the statistics published by the Land Labor Office. In the September bulletin, the number of unemployed males at the end of August 1947 is given as 523, partially fit for work, as compared with a manpower demand of 9,661. At the same time, the inactive file, itself incomplete, contained 34,000 unemployed, of whom 26,000 were between 14 and 65, the usual definition of the working age. Allowing for the actually unemployable persons in the inactive file, it may be conservatively estimated that some 20,000 unemployed persons partially fit for work is closer to the true picture of Pfalz labor than the published 523.
5. In the Pfalz Labor Office area, the inactive file at the end of August 1947 contained 8100 names, distributed thus:

Labor Office Area	Men	Women
Kaiserslautern	1200	1000
Landau	500	400
Ludwigshafen	1500	1500
Neustadt	400	300
Pirmasens	300	100
Speyer	400	100
Zweibrücken	200	200
Land Labor Office Pfalz	4500	3600

These figures, however, do not appear in the September bulletin. In addition to these, and not recorded even in the inactive file, were about 87,000 women who were unemployed, as established by a special survey. Of these ninety-one percent were engaged in some way in household work, although the figure did not include servants. Deducting the known 3600 inactives from the remaining nine percent (approximately 7800) gives a result of at least 4200 actually unemployed women not recorded anywhere -- in comparison with the 485 figure given in the published statistics.

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6. [REDACTED] it is difficult to compile authentic and complete statistics of unemployment under the present conditions of black marketing, alleged rural occupations, etc. The French Zone labor statistics, however, he affirms are due more to juggling figures than to difficulties in recording facts. He cites the figures from other Lands of the French Zone for unemployed men in comparison to employed men: in Baden, 1,627 unemployed to 122,075 employed, or 0.9 percent of unemployment; in Württemberg-Hohenzollern, 2,497 unemployed to 164,483 employed, or 1.5 percent of unemployment.
7. Source is unable to state any reason for French control of unemployment statistics. On the basis of his contacts with French labor officials, however, he believes that the French authorities in Germany do not want to show too large an amount of unemployment because of the criticism from France that too much money was being expended for supporting and relieving unemployed Germans instead of for reparations. A secondary consideration is the propaganda to be derived from a social relief system apparently functioning better in Germany than in victorious France. These are only suggestions, however, and [REDACTED] no definite substantiation for them.

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